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CONSERVATION SECURITY PROGRAM

LISTENING SESSION

FEBRUARY 11, 2004

10:00 A.M.

Rock Road

Fort Pierce, Florida

PANEL MEMBERS:

R. MACK GRAY  
Deputy Under Secretary for  
Natural Resources & Environment

DAVID MCKAY  
Conservation Planning Team Leader

JOSE ACEVEDO  
Associate Deputy Chief  
for Programs

T. NILES GLASGOW  
State Conservationist,  
NRCS Florida

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1 MR. GLASGOW: Good morning, everyone.  
2 I'm Niles Glasgow, I'm State Conservationist for the NRCS  
3 here in Florida. I'd like to welcome you this morning to  
4 this public forum being held by the U.S. Department of  
5 Agriculture to receive comments on the proposed rule for  
6 the Conservation Security Program.

7 If there's anyone in the audience who needs  
8 interpretation, would you please raise your hand? we have  
9 an interpreter for anyone who might have that need this  
10 morning. Thank you. I don't believe I saw any hands  
11 raised.

12 I'm pleased that Florida was selected to be the  
13 site for this hearing. I know that there's a lot of you  
14 who have busy schedules and we appreciate you taking your  
15 time to come and be a part of this process today.  
16 I know that there's people from Soil and Water  
17 Conservation Districts here, from the Florida Farm Bureau,  
18 from the Florida Cattlemen and the Florida Department of  
19 Agriculture, and I'm sure that there's Florida citrus  
20 folks, and we're pleased that you took the time to come  
21 and be a part of this process today.

22 If you're with the media, we do have a media  
23 package out front and we'd hope that you would pick that  
24 up before you leave. So if you have those needs,  
25 particularly make contact with our two Public Affairs

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1 people, we have Gail Hendricks here and Bob Stobaugh from  
2 our Public Affairs Office who can help you in any way in  
3 providing any information to you.

4 You know, the proposed rule for the Conservation  
5 Security Program was published in the Federal Register on  
6 January 2nd. The comment period for this program runs  
7 through March 2nd, so that you will have a chance to  
8 prepare and submit other comments before that deadline if  
9 you want to comment after this meeting today.

10 The proposed rule is just that; it is a proposal  
11 at this time. And in order to make these programs work  
12 properly, we do need your comments to come up with the  
13 best program possible. So that's an important process  
14 that we're undergoing here today.

15 USDA will consider all the comments made and will  
16 modify the proposed rule to come up with a program that  
17 meets the needs of agriculture as well as -- here in  
18 Florida and across the nation and also the citizens of  
19 this country.

20 We have with us today some folks from USDA who  
21 have joined us to hear firsthand your comments in person  
22 about the proposed rule. I would like to introduce these  
23 folks to you, they're over here at the head table.

24 I'd like to start out by introducing Mack Gray,  
25 who is the Deputy Under Secretary for Natural Resources

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NRCS  
1 and Conservation at USDA -- Natural Resources and  
2 Environment, I'll get that right in a minute, Mack.

3 MR. GRAY: I get it wrong myself.

4 MR. GLASGOW: He's been in that position since  
5 2001. He is responsible for the oversight of policy and  
6 programs of the Natural Resources Conservation Service,  
7 so he has a lot of involvement with NRCS and what we do  
8 and what we accomplish.

9 Mack came to the position out of retirement from  
10 35 years with the USDA's Soil Conservation Service, the  
11 predecessor agency to NRCS. He served as a District  
12 Conservationist in Brownsville, Texas, early in his career  
13 with the agency. He had a number of positions, including  
14 the Director of Economics from 1975 to 1985, of which I  
15 got to know him real well because I was an economist and  
16 he was the head economist, so I know him pretty well from  
17 that position. He was Director of Congressional and  
18 Public Liaison from 1985 to 1987. And  
19 Assistant to the Chief for Strategic Planning and Budget  
20 Analysis in D.C. from '87 to '90. And after a brief stint  
21 as Acting Chief of the SCS, he served as Associate Chief  
22 from December of 1990 until his retirement in 1991.

23 He was born on a dairy farm in Texas. He has a  
24 degree -- Bachelor's degree in agricultural education with  
25 a Master's in -- and a Ph.D. in agricultural economics

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1 from Texas A&M University.

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2                   So Mack Gray, we're glad that you made it today  
3                   and are part of this process.

4                   The next person I want to introduce is Jose  
5                   Acevedo. He is the Deputy Chief for Programs for the NRCS  
6                   in Washington, D.C. In this particular area, he manages  
7                   the Natural Resources Conservation programs that provide  
8                   environmental, societal, social, financial and technical  
9                   benefits that can only be included in sustaining and  
10                  improving agricultural productivity. Jose has worked in  
11                  a number of locations, including our regional office in  
12                  Atlanta, Georgia, prior to going to Washington, D.C.  
13                  And of course Jose has been around a long time and I've  
14                  known him as well for quite some years.

15                  Third person I would like to introduce is David  
16                  McKay. David is the National Conservation Planning Team  
17                  Leader in Washington, D.C. He grew up on a cotton farm in  
18                  the Texas Panhandle. He began working for NRCS in 1974.  
19                  He served in various positions in the agency, including  
20                  District Conservationist, Area Plant Specialist, and State  
21                  Agronomist with NRCS in New Mexico. And he currently  
22                  serves as the National Planning Team Leader for the  
23                  Conservation Operations Division in Washington, D.C.,  
24                  where he has responsibilities for Conservation Planning  
25                  policy and he's the leader of the group developing the

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1                  rules for the Conservation Security Program. So I know  
2                  he's going to be really interested in all of your comments

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3 here today.

4 Our job today is to listen to your comments and  
5 record them for use in writing the final rule. So we'll  
6 all be listening very carefully to what everyone says.

7 A little information about the program today.  
8 One, the forum will run from 10 o'clock to 1:00 P.M.  
9 We will start with brief opening comments from the  
10 panelists. Following that, we will have a two-minute  
11 video about the Security Program that we'll show you. And  
12 at about 11:15, we'll take a 15-minute break, the  
13 restrooms are right around the corner. And there are  
14 packets about this Conservation Security Program out front  
15 if you haven't already gotten those proposed -- you know,  
16 fact sheets, and the proposed rule is out there.

17 The proposed rule is also on the NRCS homepage  
18 where you can go and access it under [www.nrcs.usda.gov](http://www.nrcs.usda.gov),  
19 and just select "Farm Bill." So you could go and access  
20 it in the -- on the website.

21 So with that, I'm going to stop and we'll have  
22 actually the video and then I will ask the panelists to  
23 make the comments. So, video.

24 (Whereupon, video presentation was given.)

25 MR. GLASGOW: Okay. With that, I'm going to now

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1 ask the panelists to make some comments, starting with  
2 Mack Gray. And I believe there's a couple of microphones  
3 here. So, Mack, you can come up here or stay there,

NRCS  
4 whichever way you prefer to do that.

5 MR. GRAY: Well, first we'll find out if this  
6 thing is working, and I believe it is.

7 I'm happy to have the opportunity to be in  
8 Florida today and in this part of the state. It's one of  
9 the most highly productive agricultural areas in the  
10 country. I understand you got a good citrus crop this  
11 year and congratulations on that.

12           One of the things that we want to do with these  
13   listening sessions is be sure that people have an  
14   opportunity to comment on it and then we will incorporate  
15   those comments into our final decision on how to put out a  
16   final rule.

17 By the way, I saw a couple of guys grinning a  
18 while ago when I made that comment about that I heard that  
19 you had a real good crop, citrus crop. I heard that on  
20 the news about two days ago and then it was followed with  
21 the statement "But they've got low prices."

22           It seems like that's the way it is in the ag  
23   community, I don't care what you grow, it just seems to  
24   work that way. But -- but most farmers, the farmers are a  
25   pretty resilient bunch of folks and we generally come out

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1 of it. So I wish you the best, let me put it that way.

2 And we're going to listen to your comments today  
3 and we're going to be sure that these comments are heard,  
4 not that every comment that everybody makes is going to be

NRCS  
5 incorporated; Dave told me yesterday that they had gotten  
6 8,000 comments over a very short period of time and about  
7 three-fourths of them was one farm letter. And we're  
8 going to -- I don't think we're going to count one farm  
9 letter 8,000 times. But by the same token, we do want  
10 input into these programs and I'm happy to see the crowd  
11 we have.

12 One thing that I don't know whether to say today  
13 or not, but since you're already here, I'm -- I made one  
14 of these meetings in Kerrville, Texas, which is my home  
15 state and we got down there and five people showed up. And  
16 I thought "Surely there's more interest than that in the  
17 countryside in this program." And I'm glad to see here  
18 today that there's interest here in Florida in it, because  
19 we do want your comments, we want to develop a program  
20 that is of value both from a conservation standpoint and  
21 to the people that participate in it.

22 Thanks very much.

23 MR. GLASGOW: Jose?

24 UNKNOWN VOICE COMING FROM P.A. SYSTEM:

25 Transportation, more choices in housing and better quality

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1 of life. The EPA is charged with --

2 MR. ACEVEDO: That's not me.

3 MR. GLASGOW: Little technical difficulty here.

4 MR. ACEVEDO: It's a real pleasure to be here  
5 this morning. I don't have that opportunity so often to



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6 come and be able face-to-face to listen to farmers, so for  
7 me it's an outstanding opportunity to be here.

8 We're very excited what is ahead of us with the  
9 Conservation Security Program, we're looking forward to  
10 engage and have this a success.

11 Very impressed with attendance; not surprised,  
12 because always we can attest to the fact that Florida have  
13 step up to the plates and want to be part of any process  
14 that deals with conservation. So it really does not  
15 surprise me, but like Mack was saying, it's really  
16 impressive with the attendance we have for this.

17 This is a real opportunity; take the time, don't  
18 be shy, we want to listen. Any success in any program,  
19 more specific in the Conservation Security Program, depend  
20 precisely on your participation, because you are the one  
21 going to be using the program. So we need something that  
22 will be meaningful and be useful and be effective for the  
23 conservation and farmers and ranchers of America.

24 Thank you.

25 MR. GLASGOW: And now David McKay will give his

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1 comments, as well as I think a little overview of the  
2 Conservation Security Program.

3 MR. MCKAY: Good morning. I appreciate being  
4 here, too. It's kind of interesting how they kind of  
5 outfit you. First thing I'm going to have to do is get a  
6 bigger belt if we keep putting stuff on. I love the

7            technology we're blessed with nowadays.

8 I'm going to give you a little bit of overview of  
9 the Conservation Security Program to kind of bring you up  
10 to speed with what has gone on with the development of the  
11 rule and also to give you an idea, you know, the types of  
12 provisions that are in the rule. So if you haven't had a  
13 chance to read through the paper, then this may kind of  
14 answer some of the questions you may have if you've had a  
15 chance to go through that; if not, maybe it will help you  
16 understand more about the rule as you look at the  
17 opportunity that you have for comment right now.

18           The rule was published on January 2nd, with a  
19   60-day comment period. That comment period ends March the  
20   2nd, 2004. We're having ten of these listening sessions  
21   across the U.S. We've tried to target different types of  
22   commodity groups and raisers so we would have, you know, a  
23   wide variety of input into the making of the rule.

24 Your area here in Florida represents, as I'm sure  
25 you know, not only grazing, but fruits and vegetable

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1 producers, as well as some commodity crops as well. But  
2 we tried to scatter these geographically, as well as for  
3 -- focusing toward different types of interests and  
4 concerns. So, by all means, if you do not have the  
5 opportunity or you do not want to take the opportunity to  
6 make a public comment today, be certain to express your  
7 comments via e-mail or through the Postal Service and

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8 we'll take those comments in so that we can use those in  
9 the analysis of the final rule.

10 From our perspective, the Conservation Security  
11 Program offers a new day in conservation, if you will.  
12 It's different than any other program that we really put  
13 out from the -- conservation program from the Department  
14 of Agriculture. And if you think about the types of  
15 conservation programs that are out there now, there are  
16 retirement programs like CRP, WRP, that sort of thing, or  
17 they're directed to the remediation of some specific  
18 problem in terms of EQIP, Environmental Quality Incentives  
19 Program, you know, that is focusing -- if you got a  
20 concern, you go fix it.

21 The Conservation Security Program offers an  
22 opportunity to recognize those producers that have been  
23 historically doing a good conservation job. So what we  
24 intend to do -- and in the words of Secretary Veneman,  
25 "Reward the best and motivate the rest" with this program.

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1 So that if you are already doing a good job with  
2 conservation, it would be very easy for you to be  
3 recognized through this program. If you need to do a  
4 little bit more to get there and before you get that  
5 payment, then that program would offer the motivation.

6 we'll look at the beginning of the program  
7 through -- kind of picking a snapshot or --

8 A VOICE: Your mike is not working. Your mike

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9 is not working.

10 MS. HENDRICKS: why don't you use the one off  
11 the table?

12 A VOICE: I think your jacket was just rubbing  
13 against it while you were speaking.

14 MR. MCKAY: Okay. Is that better?

15 A VOICE: Yes.

16 MR. MCKAY: Okay. We'll start the process in CSP  
17 by looking at the, you know, the current conservation  
18 program that's taking place on a farm or ranch; in other  
19 words, we'll take a benchmark or a snapshot of what's  
20 being done in terms of maybe soil and organic matter,  
21 nutrients, pesticides and other resource concerns.

22 Once we look at how a person is doing so far,  
23 then we can also offer incentives for a person to do more,  
24 if you will, in terms of enhancing the resource concerns  
25 that may be present or have the potential on the farm or

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1 ranch.

2 The funding that has been offered for the program  
3 continues to be a challenge for us. We've had like three  
4 different revisions to the statute since it was produced.  
5 A lot of you have heard that "well, CSP is an entitlement  
6 program, that means everybody gets paid," and then right  
7 after the statute came out then there was a cap placed on  
8 the program which in effect caused a cap entitlement.  
9 what that means under a cap entitlement is that everybody

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10 that qualifies for the program gets paid; so if you have  
11 more people than you can actually fund, then you either  
12 prorate or you offer some other opportunity or way to  
13 handle that type of situation.

14                   A lot of us have seen the language in the 2004  
15 omnibus package where they remove that cap language, but  
16 then they turn right around and put a limit of 41 million  
17 dollars on the program for '04. They don't have any  
18 mention of what would happen in '05 and some of the out  
19 years.

20           It really becomes a challenge to us. In terms of  
21 an entitlement, it does mean that if you meet the minimum  
22 requirements, you will receive payment. But on the other  
23 hand, it -- whatever comes from the President's budget or  
24 how they appropriate to us becomes a cap. So we will  
25 suffer through or have the challenge of an annual cap on

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1 this program on an annual basis.

2           So for 2004, that cap has become 41 million  
3 dollars. If you looked at the President's budget, the cap  
4 then becomes -- that is being proposed at somewhere around  
5 209 million dollars. So there's a challenge that we face  
6 within NRCS to be able to implement a program that still  
7 offers an upper limit as far as the types of funds.

8           So it's important that you understand that even  
9    though the statute removed the cap language per se, we  
10   still end up with a cap of some type. So we have to be

NRCS  
11 able to fit the implementation of the program within that  
12 cap.

13           The eligibility requirements for a person who  
14       would like to participate becomes -- is directed toward  
15       privately owned or Tribal land, the majority of which is  
16       within a priority watershed. That's a proposal that we  
17       have put in the rule to be able to contain some of the  
18       technical assistance that would have to be expended for  
19       the program.

20 The applicant, by statute, has to be in  
21 compliance with HEL and wetland provisions before they can  
22 participate as well. They must have an active interest in  
23 the operation. The definition of ag operator in the  
24 statute is that person that shares in the risk of the  
25 production and -- and is entitled to a share of the crop.

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1     So it is directed toward a person who is actively engaged  
2     in making conservation decisions on a daily basis. And  
3     they should have control of the land for the life of the  
4     contract. That also is proposed in the rule. And the  
5     applicant, like I said before, they should share -- or  
6     they must share in the risk and be entitled to a share of  
7     the crop.

8           In addition to that, we have proposed certain  
9   requirements for each tier that a person would have to  
10 meet before they would be eligible for the program.

11 In effect, we've developed a screening process

that would kind of dwindle down the potential eligibility for the program. If you go back to what I said about, you know, having a cap or an appropriated program, we have to look -- first we have a potential applicant pool of about 1.8 million producers. In terms of technical assistance from our just spending, say just an hour or an hour and a half with each one of those individuals, if we were to take that down to 500,000 people, you know, have some way to screen it down to a third or a fourth of the total number that is potential, we spent an hour and 15 minutes with those 500,000 people, it would cost us 43 million dollars in technical assistance funds alone. I say that because it's very important to understand that in the statute, NRCS is limited to 15 percent of the program

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1 funds, that's all we can expend on technical assistance.  
2 Once that limit has been reached, then we have --  
3 you know, it doesn't matter how much more financial  
4 money we have, we can't spend it because we have reached  
5 our technical assistance limit. So it comes very quickly,  
6 that 15 percent. So we have to be able to manage the  
7 expectations and the number of participants that come  
8 into the program so that we will be able to balance  
9 that financial assistance and technical assistance  
10 funds.

11           The land eligibility by program are producers on  
12   croplands, orchards, vineyards and range lands, regardless

NRCS  
13 of the size or type of operation. I think that's kind of  
14 an important point; we're looking at, you know, even a  
15 small vegetable producer. Anybody that has a -- is an  
16 ag operator can participate.

17 Land that's in CRP, WRP, GRP, or forest land is  
18 ineligible. Or land that has been broken out of a grass  
19 condition or something like that and put in cropland  
20 between 1996 and 2002. What that was pointed toward or  
21 limited to were individuals that were -- had an  
22 expectation of getting a higher base payment for croplands  
23 versus grasslands. So there is a caveat in there that if  
24 you've broken out land out of grassland and put it in  
25 cropland, you would be ineligible to receive payment under

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1 CSP.

2           In terms of producer eligibility, then, that  
3   producer is an owner, operator, landlord or a sharecropper  
4   that shares in the risk of producing the crop or is  
5   entitled to a share of the crop.

6           what that means is a cash rent landlord cannot  
7 go in and sign up for the program. The statute more or  
8 less eliminates them as an active participant or an  
9 applicant for CSP. Because typically they'll take so many  
10 dollars an acre, you know, and if they don't -- they don't  
11 really care what happens as far as those day-to-day  
12 operations. The emphasis of the program is toward working  
13 lands and the individuals that are actually working to



14 effectively apply NRCS conservation almost on a daily basis.  
15 Another significant definition within the  
16 proposed rule is the definition of "ag operation." In the  
17 statute this is mentioned about 14 times without a  
18 definition. And it's very important in terms of the rule  
19 how we define an ag operation. It's particularly  
20 important whenever it comes to the definition of -- or  
21 dividing between Tier I and Tier II or III, because a  
22 Tier I contract, no matter how good your conservation is,  
23 if it's -- if you're just doing it on part of a farm or  
24 enrolling part of a farm or ag operation, then that would  
25 be a Tier I contract.

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1 There's been a lot of comment about, you know,  
2 the -- making an ag operation equivalent with a farm  
3 number, an FSA, and that's pretty difficult to do;  
4 farm numbers don't always exist and many times those are  
5 divided mainly on the basis of commodity programs, not a  
6 conservation system. So the ag operation had to be a  
7 little more flexible than that, so we chose a little bit  
8 different definition.

9 In the proposed rule, we define an ag operation  
10 as "All the agricultural land, and other lands determined  
11 by the Chief, whether contiguous or non-contiguous, under  
12 the control of the participant and constituting a cohesive  
13 management unit, where the participant provides the active  
14 personal management of the operation on the date of

15 enrollment."

16           We hope that definition will be clear enough that  
17 we don't have that much of people reconstituting farms  
18 trying to gain one or more contracts and dividing up a  
19 conservation system that is more effective if it's kept  
20 intact.

21           In terms of priority watersheds, this has been  
22 heavily commented upon. We had proposed to offer the CSP  
23 first in those watersheds that show the greatest potential  
24 for improving water quality, soil quality and grazing land  
25 condition. In other words, if -- we're looking at an

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1 8-digit hydrologic unit during the process and will  
2 consider factors that have some science-based nationwide  
3 data; for example, from our Natural Resources Inventory  
4 or other sources that would indicate vulnerability of  
5 surface or ground water, the potential for excessive  
6 soil quality degradation, and the condition of grazing  
7 lands that -- or show the potential for improving  
8 grazing lands.

9           In other words, what we're doing is targeting the  
10 watersheds with the greatest potential for improvement,  
11 but then targeting the individuals that are doing the best  
12 conservation job within those watersheds.

13           To give you an indication of what an 8-digit HUA  
14 is, there's about 2119 of those nationwide, including  
15 Alaska and Hawaii. The average size is about 950,000



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17 those who would wish to adopt the additional means  
18 necessary to meet that condition. They would meet a  
19 minimum requirement coming in and then if they would agree  
20 to go to that higher level, they would receive funding  
21 first. That's what -- how that would differentiate.  
22 So that those producers that are doing the really good job  
23 or committing to do a good job above and beyond the  
24 minimum requirements would be the first ones that will be  
25 funded. And we would fund the -- that particular category

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1 and then move down the enrollment categories until the  
2 funds are exhausted, funding each contract completely, all  
3 the applicants within a particular category. That would  
4 mean the last category that gets funded, if there's not  
5 quite enough money to go around, there may have to be some  
6 proration in that. So it could come to that, but we hope  
7 we could balance the number of contracts with the money as  
8 well.

9 Enrollment categories possibly in effect here  
10 would be like a soil conditioning index, for example.  
11 Soil conditioning index, if you have -- it's a subjective  
12 rating from a plus one to a minus one. The more positive  
13 the value, the better the soil condition or the types of  
14 practices that are being applied and their influence on  
15 soil conditions. Zero would be kind of a static. So in  
16 terms of an enrollment category, let's say that you have a  
17 positive .1 soil conditioning index, but you would adopt

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18 practices to help that move to a .2, maybe that would be  
19 in the highest category. Or -- and then those that just  
20 wanted to stay the same, then they would be in the second  
21 category. And those that were just meeting, you know, a  
22 nominal would be in the third.  
23 water quality practices and systems, grazing land  
24 conditions. Let's say you're looking at installing  
25 practices that would help you move up a class on the

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1 ecological side.  
2 At-risk species, there's a possibility of using  
3 that as a -- maybe not a particular category, but possibly  
4 a subcategory that would help you get your funds first  
5 within a category. And the limited resource/ beginning  
6 farmers could also be -- enter into that equation.  
7 The contract selection then would include a  
8 Conservation Security Plan that would have the practice  
9 schedules; the maintenance schedules to be done; the new  
10 practices, if there's any that are going to be applied; as  
11 well as documenting the payment.  
12 The tiers, like I said before, each tier will  
13 have to minimally meet soil quality and water quality  
14 resource concerns. However, Tier I only has to do that on  
15 part of an operation. We've also added an additional  
16 provision to Tier II; besides having it across the  
17 ag operation, that person would also have to agree to  
18 treat at least one additional concern before the end of

NRCS  
19 the contract. And then Tier III is and has always been  
20 all the resource concerns within the ag operation treated  
21 to at least the minimum quality criteria level contained  
22 within our Field Office Technical Guide.

23           There's four payment components and I'll go  
24   through kind of a brief explanation of how that is  
25   computed.

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1 First is the base payment. That really is a  
2 payment based on acreage for meeting the minimum criteria.  
3 If you get in, you're going to get that base payment if  
4 you get nothing else.

5 Okay. The second is the -- a component for  
6 maintaining existing conservation practices. We call that  
7 an existing practice payment. It's really a little bit  
8 different -- calculated a little different than, say,  
9 regular operation and maintenance. So we're going to  
10 offer a certain amount of payment for the practices,  
11 the structural practices that are on the place to help  
12 maintain those.

13           The next is a one-time new practice component.  
14    If there are additional practices that would help you  
15    exceed those minimum requirements, help you even move to  
16    another tier, you would be able to get a cost share for  
17    those practices.

18           And then the last is an enhancement component for  
19   exceptional conservation effort. And this is really where

NRCS  
20 we see most of the funds being expended within the  
21 program. And this kind of gives an illustration of that.

22 If you look at each of those tiers, the white  
23 would indicate the amount of base payment that is given  
24 for each tier. That is a cap within the statute; the base  
25 payment can't exceed \$5,000 for a Tier I, \$10,500 for a

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1 Tier II or \$13,500 for a Tier III.

2 Now, these are based on -- computed based on  
3 (inaudible) and acreages and that sort of thing, but it  
4 can't exceed those statutory limits.

5 The second little slice in there indicates  
6 practice payments. We see that being kept at a pretty  
7 close minimum. But then the enhancement payments, those  
8 things where producers say "Well, I'm going to go to a  
9 little higher management intensity" or "I'll adopt  
10 additional practices," or "I'm already doing site-specific  
11 nutrient management" or "I'm using a high degree of --"  
12 let's say you're using Nutron probes or other ways to  
13 indicate irrigation water management, a high degree of  
14 irrigation water management, the further you go to the  
15 right, the higher your payment would be.

16 Then each tier peaks out at -- within that  
17 contract limit. Tier I, the annual payment is \$25,000 --  
18 or excuse me, \$20,000. Tier II up to 35,000, and Tier  
19 III, 45,000. So it's quite possible a person in a Tier I  
20 contract that's really doing a very, very good job of

21 conservation actually<sup>NRCS</sup> receiving a higher annual payment  
22 than someone that is doing a minimal job in one of the  
23 other tiers. So that you're actually -- your enhancements  
24 then become very much tier neutral. The better you're  
25 doing on the part that is enrolled, the more your payment

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25

1 would be.  
2 Okay. The enhancement component would be for  
3 producers who add resource benefit beyond the minimum  
4 requirement. There's actually five types of enhancements  
5 that are mentioned in the statute. One is exceeding the  
6 minimum criteria -- or minimum resource -- minimum  
7 requirement for the tier. The second is improving upon a  
8 local conservation priority. The third is on-farm  
9 demonstrations/pilots. Fourth would be cooperating in  
10 watershed activities or some other targeted area. And  
11 fifth would be assessment and evaluation activities.

12 For example, a person may install a riparian  
13 buffer which would take them above and beyond what would  
14 be necessary to meet water quality for a particular area  
15 or improve on local conditions for wildlife, for example.  
16 Provide -- in the Pacific Northwest they're looking at the  
17 cold water fisheries, things like that; providing cool  
18 shade and surface water temperature for critical salmon  
19 habitat.

20 On-farm demonstrations. In terms of really  
21 spreading the conservation word, the farmer-to-farmer type



NRCS  
22 activities are very important to be able to work with an  
23 individual on new cutting edge conservation and then to  
24 demonstrate that conservation to other producers. And CSP  
25 allows us an avenue to help with the expenses incurred

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1 with some of that and to, you know, begin to really get  
2 involved in those demonstration type and research  
3 projects. If there's something that's really a critical  
4 need within an area and we can go through a process to  
5 determine that it would be beneficial for that type of  
6 conservation efforts other places, then we would be able  
7 to offer an incentive payment or an enhancement payment  
8 for participation in a resource demonstration project.

9 Another example is the assessment and evaluation  
10 activities. A lot of the conservation practices that we  
11 put on the ground, we have some very empirical data, very  
12 localized data. Sometimes -- it would be nice if we had a  
13 little bit broader range to be able to pay a producer for,  
14 say, taking water samples or something like that that  
15 would indicate the impact of, say, a riparian buffer or  
16 some other waterway, for example, some other conservation  
17 practice that we would really like to promote in a  
18 particular area or nationwide. It really -- CSP gives us  
19 an opportunity now to provide some incentives to the  
20 producers who would be willing to take those samples.  
21 Producers are on their place nearly every day, it's very  
22 difficult a lot of times for an NRCS person or someone

NRCS

23 else to go and take those samples or to, you know, monitor  
24 on a daily basis and to take a few notes. But we could  
25 offer some incentives to a producer to do those things.

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1 In terms of application, the Secretary will  
2 announce a sign-up period and a person then would  
3 determine whether or not their farm or ranch is in --  
4 within that selected watershed and whether or not they  
5 meet the eligibility criteria. The producer then would --  
6 we're engaging the producer to do the benchmark inventory  
7 on their unit. That gives the producer a little more  
8 buy-in to the conservation effort that's been going on  
9 there; it also kind of helps us on the other end reduce  
10 that technical assistance. The better we can manage that,  
11 then the more contracts we can fund. So it's -- it's  
12 important that producers take an active interest in  
13 utilizing the benefit of their own conservation operation.

14 Then determine whether or not that applicant has  
15 addressed the minimum tier requirements. After that, then  
16 we would look at whether or not they've met the  
17 eligibility. We'd conduct a follow-up interview to review  
18 all of the paperwork and everything, place that  
19 application in the highest tier and enrollment category  
20 possible, and then select the successful applicants and  
21 then at that point either NRCS or a technical service  
22 provider would complete the Conservation Security Plan.

23 Up to that point, everything -- all the

NRCS  
24 interaction would be an inherent government activity and  
25 TSP would probably not even be involved.

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1           We are seeking comments on this rule. We've got  
2   a 60-day comment period that will run through March the  
3   2nd, 2004. So if you do have comments, they're to be sent  
4   to me at P.O. Box 2890, Washington, D.C., or you can give  
5   them to me via e-mail at david.mckay@usda.gov.

6                    Okay. Thank you.

7 MR. GRAY: If I may expand on just one thing  
8 that's in there. I've been through these presentations  
9 several times and there's one thing I still had a question  
10 on up until about one day last week. And I asked Dave and  
11 other folks in the NRCS to clarify that for me. And  
12 that's just how do -- if you're a landlord and your land  
13 is operated on a crop-share basis, the person that  
14 actually operates the land may have ten landlords, may  
15 have 15 or 20 landlords in some parts of the country. And  
16 I wasn't sure whether you could go in on your land as a  
17 landlord without that person trying to get 20 other people  
18 to agree to go in so that you got the total operation of  
19 the tenant on there. And the answer to that is no. If  
20 you are a landlord on a crop-share basis, you make a  
21 contribution because it's your land, you share in the risk  
22 because you get paid a share. If the crop -- if the farm  
23 doesn't make a crop, you don't get anything. And so  
24 you'll have -- you have a risk and you make a

25 contribution. You're eligible on your own tract of land

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1 to have your own contract.

2           And that, we have not, I didn't think in the  
3   past, made clear. And I wanted to be sure that everybody  
4   understood that clearly.

5           Now, if you're cash renting, if you just take a  
6   check at the beginning of the year, cash rent, you're not,  
7   because you don't have a risk involved. And so that  
8   needed to be, I thought, clarified just a little bit.  
9   That's all I've got.

10 MR. GLASGOW: Thanks, Mack.

11 Now we're ready for the stars of the show, you,  
12 to make comments regarding this Conservation Security  
13 Program rule and where we're going with it.

14 We will have a microphone for you to come up and  
15 speak into as you make your comments. I would remind you  
16 to state your name and what organization you represent.  
17 There is a time limit we're going to set of five minutes  
18 for you to make your comments. We have a little process  
19 over here, I think all of this came down from Washington,  
20 D.C., a light that will go on that will give you a  
21 two-minute warning and then a little flash card so we'll  
22 keep this thing rolling.

23 Again, if you don't wish to speak and have  
24 written comments, make sure you turn those in at the desk  
25 out front.

1           If you need water to get through this process,  
2   we have water outside. We will take a break in a little  
3   while. But -- and also if you don't want to make comments  
4   today, you can do what David presented there and send them  
5   in via e-mail and/or mail them to him. So we're giving  
6   you a lot of different ways to make comments.

7           But let's get the show on the road and -- you'll  
8   have to say it louder, I can't understand.

9           MS. HENDRICKS: Do you want to take a break first  
10   and let them --

11          MR. GLASGOW: I'm shaking -- or I'm getting head  
12   shaking no, we're going to keep going.

13          MS. HENDRICKS: Okay.

14          MR. GLASGOW: Okay. Do we have the microphone  
15   out here? And I'm going to sit down and so I would  
16   encourage you to come up and make your comments.

17          MR. GRAY: You might want to put these lights in  
18   front of the speaker instead of in front of me.

19          MR. ZIEGLER: Good morning. Thank you for  
20   coming. I'm Mike Ziegler, Agricultural Resource  
21   Management out of Vero Beach, Florida.

22                I've worked closely with the NRCS and the  
23   SW (inaudible) for a number of years. (Inaudible).

24                I really appreciate you being here, I think  
25   you've come to the center of best management practices and

1     there have been a lot of collective actions here in the  
2     Indian River growing area. So we really appreciate your  
3     conservation funding issues.

4             I'd like to kind of look at one issue. What  
5     we're all looking for is the label and you've addressed  
6     earlier the master conservationist. I think the master  
7     conservationist label is very helpful in terms of  
8     marketing our commodities. It will help us immensely in  
9     our international markets, because the criteria for  
10    international marketing has been articulated by Michelle  
11    Stone of IMG as food safety, good quality, and land  
12    stewardship, so it fits right in line with that.

13            Under your -- Page 1 of your outline of this  
14    morning's program, you have three points, I think they're  
15    well taken. Huge incentives for people and to motivate  
16    others. The snapshot that you had on the screen here, the  
17    number one item is carbon and carbon sequestration.  
18    We have a great IMS generator down here and we utilize it  
19    and perhaps our farmers would like to receive funding for  
20    that.

21            The priority watersheds, I think we qualify in  
22    almost all cases there for surface and ground waters.  
23    One of the things I think would be especially helpful in  
24    working with the EQIP and EQIP funds, and now the CSP and  
25    the WRP's and CRP's, if the NRCS and the USDA could

1 provide a spread sheet in common language would allow  
2 everyone to understand what the various programs are, and  
3 how you fit into one program, may be preempted from  
4 another program, or perhaps you can spread across other  
5 programs. But the main thrust is that you achieve  
6 conservation in various offerings for various different  
7 types of producers.

8 Thank you.

9 MR. GLASGOW: Thanks, Mike.

10 And I would just encourage all of you, as you  
11 speaking, we're having this recorded, so kind of speak  
12 loud so she can hear you. I know she was struggling to  
13 hear some of this stuff. So you might want to raise those  
14 mikes up a little bit so they're right in front there.

15 MR. GRIFFITHS: My name is Jim Griffiths, I'm a  
16 citrus grower from Polk County, I'm in foreign country  
17 over here on the river. I'm delighted I got here, I  
18 didn't realize what I was coming to, and maybe I can thank  
19 Congress for doing something right.

20 Have you defined anything in Peninsular Florida  
21 as a priority watershed so far?

22 MR. GRAY: Let me answer that. We haven't  
23 defined the priority watersheds at this point in time.  
24 We're going to wait until -- during the time that we're  
25 finishing up considering comments and so forth, and before

1 we come out with an interim final rule or final rule to  
2 implement the program, then we'll make that decision.  
3 That's my understanding.

4 MR. GRIFFITHS: Let me comment on when you make  
5 the decision, because we're headed to you making it, and  
6 that's delightful. I happen to agree with Mike Ziegler  
7 that we're all priority watersheds. The question is which  
8 one are we in and why should it be prioritized. But let  
9 me make a comment for you to think about, think about it  
10 good and hard.

11 Florida is a rain-rich state. We get some 50 to  
12 55 inches of rainfall a year. As a citrus cropper, I  
13 think it's fair to say that we use somewhere in the  
14 neighborhood of 40 to 45 inches of water a year, just for  
15 evapotranspiration. And many places it really doesn't  
16 make much difference how much a year. Once you get the  
17 soil reasonably moist, more doesn't help; the tree doesn't  
18 use any more water, it still just transpires the same  
19 amount that it would have had natural rainfall on  
20 property, but that difference between rainfall and use  
21 by the crop -- I like to call it water crop, it's what  
22 all of us have to live off for our own uses, whether it  
23 be somebody flushing the toilet at home or whether you  
24 getting a drink of water, or whether you're running a  
25 power plant and evaporating water like mad, they all

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1     ought to be on the coast (inaudible). I think we're maybe  
2     unique in that general principle and it's different  
3     whether you're over here on the river or whether you're  
4     down south around Immokalee or whether you're in peach  
5     valley or whether you're on the ridge, but the fact is the  
6     farmer receives that water and we make that extra 10 to 15  
7     inches available to somebody else to use. This is kind of  
8     like carbon sequestration; if we can just passively do  
9     that, we're doing things right. Best management practices  
10    is concerning fertilizer, pesticides, that's fine, include  
11    it. But what we do for water is something that I guess  
12    I'm delighted to be here to preach to you, something we  
13    need more credit for, the folks in the city need to give  
14    us more credit for it, State Legislature needs to give us  
15    more credit. We would be delighted to give you the same  
16    thing. Thank you.

17               MR. MORGAN: I'm going to be short, anyway.

18               Kevin Morgan, Florida Farm Bureau. First of all,  
19    thank you very much for being here. The Farm Bureau has  
20    historically supported this concept, I think this is one  
21    of the best things that y'all have done in a long time.  
22    When we were pushing for this to be adopted, the reason  
23    we did is because we felt like that it was going to  
24    benefit the people here. And you said in the slide show  
25    and the presentation that you want to reward the best and

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NRCS

1 motivate the rest. Here they are. We're ahead of the  
2 game in conservation here in Florida.

3 Now, I'll be sending written comments where I'll  
4 address some of the more technical things that we want to  
5 say, but here today, the watershed -- priority watersheds  
6 and how you choose them, I think that's a good idea, as  
7 long as that prioritization reflects so that some of the  
8 funding flows to Florida. I mean, that's -- just put it  
9 out on the table. We think that's how you need to  
10 prioritize and I think Niles will back that up.

11 MR. GRAY: (Inaudible).

12 MR. MORGAN: I think that can be done. I think  
13 if you really look at the watersheds here, that we should  
14 have some of the priority watersheds in the country, and  
15 I know that you are operating in a shortfall budget this  
16 year, we hope that that will be increased to a level that  
17 will actually do some good. One fear that I have is that  
18 if we encourage farmers to seek participation in these  
19 programs and they go -- and are disappointed at the  
20 outcome, then they won't want to participate any more.  
21 So we need to keep that in mind.

22 And I'll stop there. And thank you very much.

23 MR. DARLING: Good morning. My name is Art  
24 Darling, Sunshine State Milk Producers. I represent  
25 a co-opt that has producers in Florida, Georgia, Alabama

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1 and Tennessee.

NRCS

2 I am here today not to speak on my behalf, but on  
3 behalf of a farmer that I worked with to prepare remarks  
4 for you. He unfortunately had a death in the family and  
5 has to be running two farms today instead of one, and he  
6 and I had worked closely on these comments, he went  
7 through your Federal Register rule, and his comments,  
8 which are in writing and I will leave at the front desk,  
9 go specifically to some sections of what you had sent out.  
10 So I hope that that will be helpful.

11 His name Sutton Rucks. He meets all the criteria  
12 that were presented by Mr. McKay in his presentation. He  
13 feels he's eligible, he certainly would participate, he  
14 believes, if it were made available to him.

15 Before I read his remarks, I do have one  
16 question.

17 Mr. McKay, at the end of your presentation, you  
18 had the term up there of a Conservation Security Plan.  
19 How does that differ from a conservation plan which this  
20 gentleman already has on his farm?

21 MR. MCKAY: That would just be the -- include the  
22 things that would be within the contract. Sometimes, for  
23 example, a conservation plan may include -- it could be  
24 the same, but in some cases it wouldn't. Let's say that  
25 you have a conservation plan that includes a lot more than

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1 what you're offering into the program. A Conservation  
2 Security Plan would just detail the practices and payment

3 schedules and that kind of thing that would go with the  
4 contract itself. So it could or could not be the same  
5 list of practices.

6 MR. DARLING: All right.

7 MR. GRAY: And a conservation plan is not a  
8 contract, so it could in fact consider -- consider less  
9 things, fewer things. We've always had a conservation  
10 plan, it is a road map of what producers actually intend  
11 to do. And there may be some of those that don't have as  
12 many practices in them as some of these contracts will.  
13 That could be a difference, too.

14 MR. DARLING: All right. Again, I'm reading what  
15 he said and this is not what I think, this is what he  
16 thinks.

17 "Due to limited funds and the past emphasis on  
18 regulation in high priority basins such as the Okeechobee  
19 Drainage Basin, as a landowner who has been economically  
20 harmed by such regulation and who has participated in  
21 every State and Federal program being offered that would  
22 assist me with environmental compliance, I urge the agency  
23 to direct resources of CSP to those basins. Projects at  
24 the advanced BMP level tend to carry greater environmental  
25 and individual farm benefits, meaning little positive

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1 impact on the bottom line. Hence, it should include  
2 operational and maintenance benefits.

3 "The ranking criteria outlined in your first  
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4 alternative on Page 199 of the Federal Register will  
5 likely squeeze me out of applying, leaving mostly ranchers  
6 in the program. You should be setting criteria to include  
7 greater environmental challenges, such as intensive animal  
8 and crop operations. Alternative 2 on Page 200 is also  
9 going to keep some of your best prospects from applying  
10 for the same reason that I previously stated.

11 "I can say to my fellow farmers in the room from  
12 hard experience that once you start down this road, the  
13 regulators and environmental activists are not satisfied  
14 with less than a complete job. In spite of millions of  
15 expended dollars on dairies in this basin," meaning the  
16 Okeechobee basin he's talking about, "we still face the  
17 strong possibility of being sued. That lesson has not  
18 been lost on farm owners who have not been forced to  
19 comply with mandated regulations and who justifiably are  
20 reluctant to expose themselves by some partial compliance,  
21 plus foreign income in the ranching and dairy business  
22 does not allow a lot of economic incentives to spend on  
23 non-retained dollar items."

24 And I, of course, can add citrus and most other  
25 crops as well.

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1 "I like Alternative Approach #5 on Page 200.  
2 The Federal Government, the State of Florida, and the  
3 regional water authority in my area and my family have  
4 invested over five million dollars since the late eighties

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5 in BMP's on my dairy farm, much of it experimental.  
6 I do not believe previous non-program participants are  
7 going to come out anyway, regardless of how you structure  
8 the program.

9 "I mention experimental. By that I mean the  
10 environmental controls were put on my farm and  
11 environmental experiments were tried to find out what  
12 worked best. Because the initial mandated BMP's were not  
13 (inaudible), the Okeechobee Drainage Basin water quality  
14 goals, additional BMP's have been installed and even more  
15 advanced BMP's will be needed.

16 "I support the NRCS preferred approach as  
17 presented beginning on Page 197 of the Federal Register.  
18 In the third column on Page 198 under Paragraph 4,  
19 'Prioritized Funding: The agency invites comment  
20 regarding,' quote 'less funds than priority categories  
21 might need in order to fully be met and funded.'

22 "I suggest that you fully fund categories based  
23 on their environmental and resource bang for the buck.  
24 To prorate funds to cover all the needs is to squeeze out  
25 farmers who will do a partial something with proper

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1 funding versus likely doing nothing with insufficient  
2 funding.

3 "I hope my comments have been helpful. My  
4 comments are based on real world experience, not ivory  
5 tower thinking from some policy puff group working in an

NRCS

6 office in town who never had to make a payroll.  
7 I congratulate the agency and the Congress for the  
8 development of --" like I say, this is him, not me.

9 A VOICE: No, that's you.

10 MR. DARLING: "I congratulate the agency and the  
11 Congress for the development of this much-needed approach  
12 that will help me continue to produce food, stay solvent  
13 and protect the sensitive environment of South Florida.  
14 I urge you to listen to those of us that work the land,  
15 not so much someone that just (inaudible) the land."

16 That gentleman is Sutton Rucks from Okeechobee.

17 MR. KROUMHOUF: My name is Lex Kromhouf, I  
18 haven't studied this program in detail, but from what I've  
19 heard today, I have some concerns I'd like to share with  
20 you.

21 One, as has been pointed out here, farmers are  
22 doing a tremendous job in providing recharged water and  
23 improving water quality and at least maintaining it  
24 compared to what is happening in the urban centers.  
25 If you have not noticed, Florida is changing; it's rapidly

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1 urbanizing and farmers are being squeezed out, and the  
2 impact of that on conservation in general and water  
3 quality is significant.

4 I'm concerned about the fact that 298 drainage  
5 districts and private drainage districts cannot be  
6 included in this program. They should be, because that's

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7 where your urbanization problems are and conservation  
8 needs to be practiced there, too. I'm also concerned  
9 about the fact that this program seems to take a blanket  
10 approach to a problem, and it needs to be targeted and  
11 worked from the sources of the problem working backwards  
12 in the watershed. By that, I mean you should identify a  
13 problem utilizing your local Soil Conservation Service and  
14 Water Management Districts where they perceive the  
15 problems to be, target those problems, deal with them  
16 through best management practices, assistive funding for  
17 those practices, and pay for the monitoring costs so that  
18 the farmer, the landowner himself does not wind up  
19 absorbing all the expenses related to those properties.

20 After that is done, you should turn around and  
21 look at best management practices. This area has done  
22 a tremendous job developing sound best management  
23 practices and those best management practices should be  
24 encouraged to be implemented everywhere.

25 we ourselves -- by that I mean I, as White Face

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1 Acres, have been involved in several programs and we reap  
2 a nice benefit from them. I see improvement. But some of  
3 the practices that we've been encouraged to get involved  
4 with in the past, such as wetlands protection, Clare  
5 Nichols here has been very helpful in helping with these  
6 programs, but how can you protect wetlands if you can't  
7 manage the water on it yourself? Like they say, this has



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8 done that for over fifty years to the point where the  
9 St. Johns seems to have one operative more than we have  
10 (inaudible). Thank you.

11 MR. SMOLA: Hello, my name is Ron Smola, recently  
12 retired from the Natural Resources Conservation Service,  
13 about a month ago, and currently involved with the Florida  
14 Earth Foundation, a nonprofit organization that supports  
15 education, outreach and research to benefit the ecosystem  
16 restoration.

17 First of all, Mack, I'd like to welcome you --  
18 and many of you may not know this, but Mack also serves on  
19 the South Florida Ecosystem Restoration Task Force and has  
20 been very involved in that for the past two years. In  
21 fact, I think about two years ago last month we had Mack  
22 down for an extensive tour of the agricultural area and  
23 some of you, I think, were involved in that tour when Mack  
24 was here.

25 A couple things I want to talk about and provide

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1 you with some information. First of all, in my previous  
2 life as an NRCS employee, we sponsored, NRCS and  
3 Agricultural Search Service, a workshop just across the  
4 parkway -- the parking lot called "Agricology: How Can we  
5 Sustain Agriculture in South Florida." Many of you I  
6 think that's in the audience from the ag community were  
7 here and participated in that. Mack, whose Task Force was  
8 the sponsor of that as well. Calvin Arnold, who is the

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9 Director of the lab here and myself co-chaired that  
10 effort.

11 The workshop itself, we had over 180 participants  
12 attend and participate in that conference, and it helped  
13 us identify some of the challenges that we're facing in  
14 agriculture. And some of those you've heard today from  
15 some of the agricultural speakers already. I'm going to  
16 provide you, the panel, the research report that Dr.  
17 Arnold and Ed Hanlon prepared as part of our effort that  
18 outlines some of the research needs and it talks a lot  
19 about economics, and how do you keep agricultural  
20 profitable.

21 And I think -- I see that the Farm Bill programs  
22 can serve a major role in keeping agriculture profitable  
23 in South Florida. I know Mack, two years ago when he came  
24 down with the Task Force, he made the commitment that we  
25 would utilize the Farm Bill programs to help agriculture

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1 meet restoration needs, and I think we've done an  
2 excellent job with that. WRP, Allapattah Ranch and other  
3 purchases, not to mention all the EQIP dollars that we  
4 spent in Okeechobee and other basins to help agriculture  
5 meet some of the requirements that is being put down on  
6 the ag community.

7 Most of you in the audience knows, (inaudible)  
8 does not know, but Florida agriculture probably is the  
9 most regulated state in the nation. There's a tremendous

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10 amount of waterfall and other regulations that the  
11 ag community have to meet. And I see the Farm Bill  
12 program as being able to help us there.

13 why do we need ecosystem restoration. We have an  
14 8 billion dollar effort, some say now it's 14 and it's  
15 probably higher than that, to be honest with you. Within  
16 that, there's a large amount of land acquisition going on  
17 to make way for the major projects that are involved in  
18 the ecosystem restoration; water storage being the major  
19 one.

20 Many of us think, I think the agricultural  
21 community is there, too, rather than buy this land and  
22 take it out of production, I think we can maintain that  
23 land in production and pay farmers to provide wildlife  
24 habitat, to provide water storage, to improve water  
25 quality, and at the same time keep them in business.

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1 I think the Farm Bill programs do an excellent job of that  
2 and the CSP -- the CSP we're talking about today is just  
3 another one of those tools that we can put in our toolbox  
4 to help us do that.

5 The State recently, about two or three years  
6 ago -- and Ray, stop me when I expound on this more --  
7 passed a State law, the State Family & Rural Lands Act.  
8 However, it hasn't been funded, but that act allows the  
9 State to do much the same thing that the Conservation  
10 Security Program does.

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11               So we in Florida, some of us have worked with  
12 these two issues for several years. But I think what we  
13 see is an opportunity to combine State and Federal dollars  
14 to help agriculture stay in business and meet the  
15 ecosystem restoration requirements that are being placed  
16 upon them.

17               With that, I'm going to provide to each of you a  
18 copy of the research report. And Mack, I think you had  
19 received a copy with the -- a summary of our workshop last  
20 September? If not, I'll make sure you get a copy of that.

21               MR. GRAY: Yeah, do that, because I don't  
22 remember getting it.

23               MR. SMOLA: Yeah. And if people in the audience  
24 would like copies of that -- probably what I would  
25 suggest, I'll provide this to Greg Hendricks and let him

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1       be the lightning rod for that.

2               MR. GRAY: One of the things about sitting up  
3 here, it's hard not to comment. One of the things that we  
4 were told is "Don't comment on the comments." And you've  
5 noticed I've tried not to do that, but when Ron mentioned  
6 that I'm on the South Florida Ecosystem Task Force, as  
7 USDA representative on that Task Force, it's made up of  
8 representatives from all the Federal agencies. I made up  
9 my mind when they put me on it that it needed to be  
10 somebody that really knew more about Florida agriculture  
11 than I knew. I've never worked down here, I wasn't born

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12 and reared down here. And so I told them, I said "Teach  
13 me what you can teach me in a week." And so I had an  
14 opportunity to get with these guys -- I see one sitting  
15 over there grinning from Florida FDA -- and they took me  
16 around and we had a good opportunity for me to become  
17 acquainted at least peripherally with Florida agriculture.  
18 And it was a tremendous week and I saw a lot of land that  
19 people were doing a tremendous job on. And that's just  
20 about as close to this program as I'm going to comment on.  
21 But I do say to you guys that helped with that tour, that  
22 it was a tremendous opportunity and I really enjoyed it  
23 and really learned a lot from it.

24 MR. WILLIAMSON: Good morning, I'm Frank  
25 Williamson, Sonny Williamson -- also known as Sonny,

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1 Okeechobee County Citrus and Beef Cattle. And Dr. Gray,  
2 I think you ate lunch at our camphouse.

3 MR. GRAY: I know I did.

4 MR. WILLIAMSON: Well, good to see you back  
5 again.

6 MR. GRAY: Thank you.

7 MR. WILLIAMSON: Good to know that you had some  
8 background about our problems.

9 The -- couple comments. One, of course, as you  
10 know, and the reason you're spending this time to do this  
11 is the way you apply this program and how user friendly it  
12 is will make all the difference in the world. One of the

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13 things that bothers me a little bit is minor things, a  
14 minor thing, is that the original -- the benchmark  
15 inventory is to be done by the landowner, and a lot of  
16 people will not know how to do that and will not even know  
17 what those words mean so much in this context. So are we  
18 going to have some help from NRCS -- maybe Niles, this is  
19 a question for you -- to do some of that? At least give  
20 us a skeleton?

21 MR. MCKAY: I can answer that. Yes, it's not  
22 that we're not going to help you; we will be available for  
23 you any time you have questions. We're encouraging  
24 producers to get involved in that inventory. We will have  
25 an online tool that you'll be able to get on and kind of

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1 carry you through the sequence, as well as workbooks and  
2 that sort of thing if you want to do that. We're not  
3 requiring individuals to do it all themselves, but we want  
4 the individual to be engaged in that process.

5 MR. WILLIAMSON: Okay, good.

6 Second question. At the end of the contract,  
7 five years, ten years has now gone by, what then? I know  
8 it's an unanswerable question, but it's something that is  
9 important, particularly if you sign a contract at  
10 (inaudible) revenues.

11 MR. MCKAY: I'll go ahead and answer that, too.

12 We did not really address the issue of, you know,  
13 extension -- contract extensions. There are those

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14 provisions within the rule, we just didn't address those  
15 in the proposed rule. We have yet really to, I think,  
16 really look at that in detail, whether or not -- you know,  
17 how we're going to handle those -- you know, what happens  
18 at the end of the contract period. So that has not been  
19 addressed in the proposed rule. We would welcome any  
20 comments, because it is in the statute, from individuals  
21 who are interested in, you know, what would they like to  
22 see at the end of the contract as far as extensions.

23 MR. WILLIAMSON: In Florida, it is a critical  
24 problem because a restored wetland can quickly become a  
25 jurisdictional wetland. And so that has implications that

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1 everybody has to think about.

2 I know that you're fully aware of the  
3 conservation -- Comprehensive Everglades Restoration Plan  
4 and its effects from here south on the coast and of course  
5 from the Kissimmee River south in the State of Florida,  
6 so I presume that the efforts being made under that, we  
7 call is CERP, is going to be coordinated with this in a  
8 very particular way, because a lot of programs are out  
9 there and a lot of activity going on.

10 The last thing I need to say is hurry every  
11 chance you get, this state is rapidly urbanizing. The  
12 idea of a state that looks like Pinellas County all over  
13 it or the eastern half of Broward County all over it  
14 is really a terrible thing to think about. Not that

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15 Pinellas County -- I was born there, not that it's such  
16 a terrible place to live, but there's no more agriculture,  
17 no chance of agriculture there, there's very little chance  
18 for natural habitat to be maintained in any way.

19 So just remember in whatever you're doing here,  
20 Florida is rapidly urbanizing, should give you a priority  
21 for Florida, because in a few years there's going to be so  
22 much less places left that we can do these kind of  
23 programs. So please hurry.

24 And thanks for the program, thanks for being  
25 here.

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1 MR. GLASGOW: Okay. We had -- on our schedule,  
2 we're going to break here at 11:15.

3 MR. SEXTON: Mind one more?

4 MR. GLASGOW: Mind one more? Okay. Well, we're  
5 going to come back afterwards, but we'll have yours and  
6 then go on break.

7 MR. SEXTON: Little bit unsteady on my feet, so  
8 you'll have to forgive me. I'm Ralph Sexton, Vero Beach,  
9 Florida. I'm a cow rancher. I'm a good cow rancher.  
10 I have 250 cows on 600 acres and a hundred head of growing  
11 stock. I produce enough beef, if you figure 60 pounds  
12 per person, to feed 10,000 people. I call myself a  
13 "sure 'nough" conservationist. Two-thirds of all of  
14 the citrus land in Indian River County has gone to  
15 development. I have fought development for 40 years, and



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16 I have refused \$10,000 an acre for my land, even when I  
17 was losing money. And so it's a real important issue.  
18 I feel that purchase of development rights is really  
19 about the best thing you can do if you want to conserve  
20 land. I've thought about it a whole lot and I've worked  
21 hard on it with the plan that they have in Tallahassee.  
22 what they need now is funding, of course.

23 I guess that's really about all I have to say --  
24 oh, yes, I assume that when all of this is over, we can  
25 talk to Clare Nichols or Mark Tomsic to get details on

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1 what to do next and how?

2 By the way, there is Clare Nichols.

3 MR. GRAY: The answer to that -- the answer to  
4 that from the guy who supervises this guy's boss is yes,  
5 sir.

6 MR. SEXTON: Okay. Anyway, I liked your program  
7 and your approach and I'm glad you're having the concerts  
8 and good luck.

9 MR. GLASGOW: You can always get answers from the  
10 NRCS employees, at least we'll try.

11 with that, let's take a 15-minute break, which  
12 means we'll be back at 25 minutes to 12 to continue with  
13 comments.

14 (Whereupon, there was a brief recess and  
15 the proceedings continued as follows:)

16 MR. GLASGOW: Okay. If everybody will take their  
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17 seat, we'll continue on here.

18 The mike is now open and ready for additional  
19 comments. So our next commenter, please come forward.

20 MR. SCOTT: Hi, I'm Ray Scott with the Florida  
21 Department of Agriculture and Consumer Services.

22 First I would like to thank NRCS for hosting this  
23 listening session and choosing Florida as one of the  
24 attendant sites for the session, and I would like to thank  
25 y'all from D.C. in particular for coming down, although

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1 this can't be a real tough trip.

2 MR. GRAY: I've made tougher.

3 MR. SCOTT: I did want to say that we are  
4 intending to submit comments. In fact, we're also right  
5 now talking with the Florida Department of Environmental  
6 Protection, our sister agency in the state, about probably  
7 submitting joint comments on the proposed rule. So I'm  
8 not going to get into a lot of detail today and maybe some  
9 of the specifics we comment on, I'm going to kind of hit a  
10 couple of what I see as high points on this and then leave  
11 it at that.

12 I think you had a very unique problem with this  
13 program, as you've indicated, trying to do an entitlement  
14 program with very limited resources. I think the strategy  
15 that has apparently been selected to do this within  
16 priority watersheds and selecting those type  
17 conservationists that rise to sort of a higher level is

18 probably the way to go on this. And I'm going to talk a  
 19 little bit about the watershed selection process, but I  
 20 would like to make a comment that -- I mean, having said  
 21 that, I understand kind of the unique situation that this  
 22 poses administratively -- that it is somewhat unfortunate  
 23 that there may be those agricultural conservationists out  
 24 there that are really in that kind of upper tier that will  
 25 not, you know, be able to participate in this program as a

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1 result of the watershed criteria that's being done.  
 2 Again, I understand the priority, that with the resources  
 3 what they are, that's probably a very practical and  
 4 reasonable way to go about this, but I did just kind of  
 5 want to put that out on the table maybe for kind of future  
 6 consideration.

7 As far as the watersheds themselves, I guess the  
 8 first thing I would like to comment upon is how many of  
 9 those watersheds will be selected nationally. Obviously  
 10 you want to select as many as possible to sort of allow  
 11 participation throughout the country, obviously, but at  
 12 the same time it appears to me that maybe you don't want  
 13 to select so many that the funds that go into any  
 14 particular watershed are not really going to be sufficient  
 15 to kind of do the job that they might do otherwise. So I  
 16 think maybe (inaudible) Kevin's earlier comments, I would  
 17 hope to see that list long enough that we want our  
 18 watersheds in Florida included, but not so long that it

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19 reduces the money to Florida.

20           It's -- as far as the -- as the watersheds  
21 themselves, I believe, I think in keeping with the NRCS  
22 resource priorities, that the water quality is probably,  
23 you know, a very important issue. And I think that me  
24 giving what I see as, you know, very promising level of  
25 cooperation between EPA and USDA right now, I think that

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1 that would play well with the sister agency as well to  
2 emphasize those watersheds, particularly with either the  
3 TMBL's that need to be done involving substantial  
4 non-point source pollution coming from agriculture or with  
5 impaired waters within the watershed.

6           I think the idea that is supplied to individual  
7 farmers of rewarding the best and motivating the rest,  
8 I believe can also be applied to a watershed. I think in  
9 selecting the watersheds, you need to look at those  
10 watersheds around the country where there have been  
11 substantial efforts by local, state and federal to address  
12 agricultural conservation. I think in addition, when  
13 there are resources of state and national significance  
14 associated with the watershed, that is important and ought  
15 to be looked at as well.

16           I think that's kind of my short list on the issue  
17 of the watersheds. I think -- and you may have picked up  
18 on this, the Lake Okeechobee watershed meets that list of  
19 criteria fairly well and I think, you know, that's an area

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20 of emphasis for us, and certainly a watershed that we  
21 would like to see given some serious consideration for  
22 inclusion in that first cut.

23 One comment I would like to make on kind of the  
24 specifics of the program, particularly the payment levels.  
25 I think it's important that the incentive payments, or I

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1 guess what are being referred to as the enhancement  
2 components be a large proportion of the payments that are  
3 made to a farmer. And also I think the -- the specific  
4 thing I wanted to say on that is I think it's going to be  
5 very important to allow flexibility at the state level in  
6 terms of what those enhancement components are.

7 I know right now in several areas of the state  
8 we're looking at some fairly unique and innovative  
9 approaches to conservation and I would hope that as this  
10 program kind of unfolds over the years that we will be  
11 able to use this to encourage some of those more unique  
12 and innovative approaches.

13 Thank you.

14 MR. DARLING: I have a procedural question.  
15 Comments, can they be submitted e-mail?

16 MR. GRAY: Uh-huh.

17 MR. GLASGOW: (Nodding head affirmatively.)  
18 Any other comments anyone wishes to make?

19 MR. ADAMS: Yes, I'm Mike Adams, I'm representing  
20 the St. Lucie Soil and Water Conservation District today.

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21                   And Mack, we're sure glad to have you back in  
22 Florida again, and you've helped us with the EQIP program  
23 the last time you were here in raising some of the limits  
24 and we certainly appreciate that, and I think we've  
25 utilized those funds effectively down here.

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1                   MR. GRAY: I'm getting more credit for that than  
2 I deserve, because one of the main reasons is that the  
3 Congress had got the money in the program that we've got  
4 something to do with and that's been a big help in getting  
5 around and addressing the problems that need to be  
6 addressed.

7                   MR. ADAMS: But go ahead and take that credit.

8                   MR. GRAY: Having said that, I'll take the rest  
9 of the credit.

10                  MR. ADAMS: But --

11                  MR. GRAY: No, that wouldn't be fair.

12                  MR. ADAMS: And also the -- I guess the WRP  
13 program is being utilized actively in this area, and we  
14 see that as being very positive.

15                  I believe this is going to be a real dovetail  
16 with some of these other programs that is going on in the  
17 area, hopefully we'll get something from the State of  
18 Florida that will also dovetail into this new program,  
19 which will be of benefit to all of us.

20                  And I would like to kind of address, you know,  
21 the St. Lucie, Indian River area on the East Coast. This

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22 is our Florida watershed on the East Coast here. It is  
23 rapidly becoming urbanized and those are tremendous  
24 concerns in the area, which is one of the driving forces  
25 of the BMP's and why they've been accepted through the

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1 citrus industry so strongly, and of course not only the  
2 citrus, but BMP's with the cattle program. And I believe  
3 with the programs that we have in place, it's a real  
4 natural fit with where we're going with this new program  
5 and we hope to see this type of program expanded in the  
6 future.

7 Thank you.

8 MR. GLASGOW: Any other comments from the  
9 audience?

10 Okay. Well, I think then we will have concluded  
11 this listening session today. First I want to say thanks  
12 so much to Mack Gray, Jose Acevedo, and David McKay for  
13 coming here today and being a part of this and listening  
14 to your comments.

15 I'm going to give Mack the last word here --  
16 so you still get the last word, Mack -- but I have a  
17 couple things I want to say before then.

18 I also want to thank Mike Lawrence from USDA/ARS  
19 for helping us with this effort here today and putting  
20 this together. David Legg, Area Conservationist here;  
21 David, for all of you and your staff's work. To Bob  
22 Stobaugh and Gail Hendricks from Public Affairs for

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23 getting the word out and letting everybody know what was  
24 happening and being here today to do interviews and other  
25 things.

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1 I think that this forum has produced a lot of  
2 valuable input that hopefully can be used by Jose and  
3 David and Mack as they go back to D.C.

4 Again, I would encourage you to provide any  
5 written comments. I know several of you have said that  
6 you're going to do that. If you have them today,  
7 certainly leave those here with David and he can take them  
8 back.

9 Again, to remind you, that you have until  
10 March the 2nd to submit additional comments. And you  
11 asked about the e-mail, that e-mail address is  
12 david.mckay@usda.gov where you can e-mail your comments  
13 or you can also submit written comments through the mail  
14 through -- to the Conservation Operations Division. If  
15 you want to do that, certainly we'll give you the address  
16 here before we depart today.

17 And if you want to read further about the rule,  
18 don't forget that you can go to the NRCS homepage and  
19 select "Farm Bill" and be able to pull down the whole rule  
20 and read it at your leisure.

21 There are extra handouts of material in the lobby  
22 that you can pick up on the way out if you want to get  
23 further information.



24                   And I'm going to now turn it over to Mack and let  
25                   him make the closing comments. And have a safe trip home

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1           after Mack makes his comments.

2                   MR. GRAY: I'm happy to be again -- be in Florida  
3                   again. As some of the -- some folks here have already  
4                   said, I had an opportunity -- and I said, I had an  
5                   opportunity to come down a couple years ago because I was  
6                   on that -- I was put on that Task Force and I thought  
7                   "This needs to be somebody that knows a little bit, not  
8                   much, but a little bit about Florida agriculture."

9                   Florida agriculture is dynamic. It's great to be  
10                  here. I saw some of the most beautiful farms I've ever  
11                  seen in my life. I saw some of the greatest conservation  
12                  work I've ever seen in my life.

13                  And having said that, about three weeks ago I  
14                  went to one of these meetings in Kerrville, Texas, which  
15                  happens to be my home state and the Federal Register says  
16                  that we'll be here, some of us will be here and the forum  
17                  will be open until one o'clock. It says the same thing  
18                  for this one. So if some of you have second thoughts  
19                  about -- you didn't say anything, you have second thoughts  
20                  between now and one o'clock, if you'd like to make  
21                  comments, we will be open for comments until one o'clock.

22                  They also learned one other thing about me.  
23                  In the last meeting they had me first on the program.  
24                  They only had five commenters and the meeting ran from

25 10:00 until 1:00. We were through by 10:25. And shortly

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1 after that, a cousin of mine that lives in that country  
2 called and said "Can I take you out to lunch?" And my  
3 presence at that meeting ended at 12 o'clock. So I notice  
4 they put me last on this one.

5 But anyway, thanks for being here, thanks for  
6 being a part of it. Again, I would say that if you have  
7 second thoughts about making -- getting in a verbal  
8 comment this afternoon, we're going to be here until one  
9 o'clock, we'd be happy to have you do it. If you don't  
10 and you got ideas, let us have them in writing, either in  
11 writing or by e-mail, because we are in fact trying to get  
12 public input into this program. We want it. If we  
13 didn't, we wouldn't be here. And so if you've got ideas  
14 that you would like for us to think about, be sure and get  
15 them to us.

16 And with that, I would like now -- I'd like to  
17 say -- thank everybody for being here, it's good to be  
18 back in Florida, and thanks for coming.

19 (PROCEEDINGS CONCLUDED)

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1 STATE OF FLORIDA )

2 COUNTY OF MARTIN )

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4 CERTIFICATE

5

6 I, KATHY CABRE ENLOE, a Registered Professional  
7 Reporter, do hereby certify that a Listening Session  
8 regarding the Conservation Security Program was held on  
9 the 11th day of February, 2004, at Rock Road, Fort Pierce,  
10 Florida; that I was authorized to and did transcribe the  
11 proceedings from said session; that the foregoing pages,  
12 numbered 2 through 60, comprise a true and correct  
13 transcript of same.

14 DATED this \_\_\_\_ day of \_\_\_\_\_,  
15 2004.

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\_\_\_\_\_  
KATHY CABRE ENLOE

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